

CITY OF SAN ANTONIO

OFFICE OF MANAGEMENT & BUDGET

TO: Mayor and City Council

THROUGH: Sheryl Sculley, City Manager

FROM: María Villagómez, Budget Director

COPY: Executive Leadership Team

DATE: April 2, 2015

SUBJECT: Response to SAPOA April 1, Press Release Questions

This memorandum transmits responses to four questions included on a San Antonio Police Officers Association (SAPOA) press release issued yesterday.

1. What are the categories of services in the City's term "Public Safety Budget"?

The City's FY 2015 General Fund Budget is \$1.05 billion, and it pays for basic city services such as public safety, streets, parks, libraries, social services, and code enforcement. The public safety budget includes the police department, parks police, and fire & EMS services and consumes 66.7% of the total general fund budget, reflecting the one-time amendment approved by City Council in November 2014.

2. What portion or percentage of the General Fund is comprised of the police officer's collective bargaining agreement only?

The public safety budget is \$700 million of the General Fund Budget and is needed to perform the functions of public safety. Budgeted police department expenditures make up \$407 million of the \$700 million public safety budget. Within the police department budget, 79% or \$322 million is allocated to wages, overtime, specialty pays, employee healthcare, prefunded retiree healthcare, pension benefits, and patrol vehicles governed by the police collective bargaining agreement or state statute. The remaining 21% supports police operations such as 911 dispatchers, victim's advocacy team, crime scene investigators, juvenile processing, and crisis response team. Also included in this amount are fuel and equipment, the towing contract, guns, ammunition, tasers, protective gear, utilities, building maintenance, technology support, and liability and workers compensation insurance.

3. How many offers has SAPOA delivered and have they committed to cost sharing and paying premiums?

The City and the Police Union have engaged in 16 formal bargaining sessions since January 2014. During this period of time, the City and Union have exchanged six proposals. Since February 2015, the City has made two proposals and the Union has made one proposal.

February 20	March 17	March 20	March 31
City offers proposal	Union offers proposal	City offers proposal	Union refuses to provide a proposal

The City's March 20 proposal is fair to the officers and affordable to the taxpayers. It includes a wage increase of 10.8% over the next three and half years for each officer. It covers 100% of healthcare premiums for all police officers and asks police officers to pay a small portion of their dependents healthcare premiums. Based on this proposal, the average police officer would be net ahead by more than \$14,000 over the term of this contract when the employee selects the Consumer Driven Healthcare Plan (CDHP).

The table below shows the cost comparison between the City's March 20 proposal and the Union's March 17 proposal.

<i>Cumulative Increased Cost over 4 Years (FY2015 to FY2018)</i> <i>(\$ in Millions)</i>			
	City March 20 Proposal	SAPOA March 17 Proposal	Difference
Wages	\$ 46.3	\$ 79.2	\$32.9
Healthcare	11.8	24.0	12.2
Other Items	(2.5)	(2.4)	0.1
Total	\$ 55.6	\$100.8	\$45.2

4. What is the budget surplus at the end of 2014?

There is no unaccounted surplus from 2014. The FY 2015 General Fund Budget adopted by the City Council in September 2014 accounted for projected additional funds available from 2014 ending balance and these were used to support FY 2015 city services. The City's labor costing model already included these funds as well as the preliminary results from the City's Comprehensive Annual Financial Report (CAFR) for 2014. During their independent analysis presented to the City Council in January 2015, Public Financial Management (PFM) reviewed the City's labor costing model and projections and concluded that the City had appropriately included financial data and updated available balances from 2014.

The police union claims that their proposal will in no way jeopardize the City's financial reserve. However, their March 17 proposal would force the City to spend nearly 70% of the general fund on public safety; each one percent equals \$10.5 million. In order to afford this type of increase, the City would be forced to cut financial reserves and/or eliminate other basic services.